

UNIFIED SCHOOL DISTRICT NO. 111, DONIPHAN WEST

FINANCIAL STATEMENTS
(with Independent Auditors' Report thereon)

For the Year Ended June 30, 2010

UNIFIED SCHOOL DISTRICT NO. 111, DONIPHAN WEST
FINANCIAL STATEMENTS
Year ended June 30, 2010

TABLE OF CONTENTS

Independent Auditors' Report	1
 STATEMENT 1	
Summary of cash receipts, expenditures and unencumbered cash	2
 STATEMENT 2	
Summary of expenditures - actual and budget	3
 STATEMENT 3	
Statement of cash receipts and expenditures - actual and budget	
General fund	4
Supplemental general fund	5
At risk (4 year old) fund	6
At risk (K-12) fund	7
Capital outlay fund	8
Driver training fund	9
Food service fund	10
Professional development fund	11
Parent education fund	12
Special education fund	13
Vocational education fund	14
KPERs special contributions retirement fund	15
Textbook rental fund	16
Contingency reserve fund	17
Federal funds	18
Other grant funds	19
 STATEMENT 4	
Statement of cash receipts and disbursements - actual	
Agency funds	20 - 21
 STATEMENT 5	
Statement of cash receipts, expenditures and unencumbered cash - actual	
District activity funds	22
Notes to the financial statements	23 - 32
 ADDITIONAL INFORMATION	
Schedule of expenditures of federal awards	33
Note to the schedule of expenditures of federal awards	34



Kramer & Associates CPAs, LLC
Making the right move for your business

Tony Kramer, CPA
Joseph J. Wood, CPA
Deb Taylor, CPA
Megan Todd, CPA
Amy Schwinn, CPA
Sherrie Hodges, CPA

INDEPENDENT AUDITORS' REPORT

To the Board of Education
Unified School District No. 111, Doniphan West
Highland, Kansas

We have audited the accompanying financial statements of Unified School District No. 111, Doniphan West, as of and for the year ended June 30, 2010, as listed in the Table of Contents. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the *Kansas Municipal Audit Guide*. Those standards and guidance require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, Unified School District No. 111, Doniphan West, has prepared these financial statements in conformity with the accounting practices prescribed by the State of Kansas to demonstrate compliance with the cash basis and budget laws of the State of Kansas, which practices differ from accounting principles generally accepted in the United States of America. The effect on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Unified School District No. 111, Doniphan West, as of June 30, 2010, or the changes in its financial position for the year then ended.

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash and unencumbered cash balances of Unified School District No. 111, Doniphan West, as of June 30, 2010, and its cash receipts and expenditures, and budgetary comparisons for the year then ended, on the basis of accounting described in Note 1.

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The additional information on pages 33 - 34 is presented for the purpose of additional analysis and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects, on the basis of accounting described in Note 1, in relation to the financial statements taken as a whole.

This report is intended solely for the information of the Board of Education and committees thereto, management, federal awarding agencies, Kansas Division of Accounts and Reports, and the Kansas State Department of Education and is not intended and should not be used by anyone other than these specified parties.

KRAMER & ASSOCIATES CPAs, LLC.

Kramer & Associates CPAs, LLC
Leavenworth, Kansas
December 13, 2010

UNIFIED SCHOOL DISTRICT NO. 111, DONIPHAN WEST
SUMMARY OF CASH RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH
Year ended June 30, 2010

Funds	Beginning unencumbered cash balance	Prior year canceled encumbrances	Cash receipts	Expenditures	Ending unencumbered cash balance	Outstanding encumbrances and accounts payable	Ending cash balance
Governmental type funds:							
General fund	\$ (212,208)	\$ -	\$ 3,977,567	\$ 4,096,073	\$ (330,714)	\$ 22,057	\$ (308,657)
Supplemental general	(20,299)	-	786,460	820,000	(53,839)	-	(53,839)
Special revenue funds:							
At risk (4 year old)	-	-	20,060	20,060	-	-	-
At risk (K-12)	-	-	176,940	176,940	-	-	-
Capital outlay	203,826	-	234,739	31,650	406,915	-	406,915
Driver training	4,000	-	4,500	4,280	4,220	-	4,220
Food service	49,585	-	218,288	218,373	49,500	-	49,500
Professional development	15,014	-	1,017	784	15,247	-	15,247
Parent education	-	-	8,300	8,300	-	-	-
Special education	89,638	-	571,840	571,840	89,638	110,256	199,894
Vocational education	-	-	190,494	190,494	-	90	90
KPERS special retirement contributions	-	-	202,832	202,832	-	-	-
Textbook rental	22,049	-	15,636	21,682	16,003	-	16,003
Contingency reserve	163,734	-	62,586	52,500	173,820	-	173,820
Federal funds	-	-	103,187	97,048	6,139	-	6,139
Other grant funds	6,372	-	300	-	6,672	-	6,672
Gate receipts	13,721	-	34,982	43,818	4,885	-	4,885
School projects	12,073	-	20,016	16,197	15,892	-	15,892
Total reporting entity (excluding agency fund)	\$ 347,505	\$ -	\$ 6,629,744	\$ 6,572,871	\$ 404,378	\$ 132,403	\$ 536,781
Composition of cash:							
Checking							\$ 201,170
Checking - activity accounts							59,842
Petty cash							1,500
Money market							113,334
Certificates of Deposit							200,000
Total cash							575,846
Less agency funds							(39,065)
Total reporting entity (excluding agency funds)							\$ 536,781

The accompanying notes are an integral
part of the financial statements.

UNIFIED SCHOOL DISTRICT NO. 111, DONIPHAN WEST
SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET
Year ended June 30, 2010

Funds	Certified budget	Adjustment to comply with legal max	Adjustment for qualifying budget credits	Total budget for comparison	Expenditures chargeable to current year	Variance - over (under)
Governmental type funds:						
General fund	\$ 4,176,724	\$ (147,653)	\$ 67,002	\$ 4,096,073	\$ 4,096,073	\$ -
Supplemental general	\$ 820,000	\$ -	\$ -	\$ 820,000	\$ 820,000	\$ -
Special revenue funds:						
At risk (4 year old)	\$ 30,000	\$ -	\$ -	\$ 30,000	\$ 20,060	\$ 9,940
At risk (K-12)	\$ 210,000	\$ -	\$ -	\$ 210,000	\$ 176,940	\$ 33,060
Capital Outlay	\$ 903,736	\$ -	\$ -	\$ 903,736	\$ 31,650	\$ 872,086
Driver training	\$ 5,500	\$ -	\$ -	\$ 5,500	\$ 4,280	\$ 1,220
Food service	\$ 379,750	\$ -	\$ -	\$ 379,750	\$ 218,373	\$ 161,377
Professional development	\$ 31,000	\$ -	\$ -	\$ 31,000	\$ 784	\$ 30,216
Parent education	\$ 11,600	\$ -	\$ -	\$ 11,600	\$ 8,300	\$ 3,300
Special education	\$ 763,744	\$ -	\$ -	\$ 763,744	\$ 571,840	\$ 191,904
Vocational education	\$ 190,000	\$ -	\$ 494	\$ 190,494	\$ 190,494	\$ -
KPERS special retirement contributions	\$ 229,583	\$ -	\$ -	\$ 229,583	\$ 202,832	\$ 26,751
Federal funds	\$ 102,516	\$ -	\$ 671	\$ 103,187	\$ 97,048	\$ 6,139

The accompanying notes are an integral
part of the financial statements.

UNIFIED SCHOOL DISTRICT NO. 111, DONIPHAN WEST
 STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
 GENERAL FUND
 Year ended June 30, 2010

	Current year		
	Actual	Budget	Variance - over (under)
Cash receipts:			
Taxes and shared revenue:			
Ad valorem property - taxes in process	\$ 17,116	\$ 19,123	\$ (2,007)
Ad valorem property - current taxes	616,979	589,307	27,672
Delinquent	2,266	9,822	(7,556)
State aid:			
Equalization aid	2,714,274	2,850,918	(136,644)
Special education services	378,508	526,132	(147,624)
Federal aid:			
ARRA Stabilization	181,422	181,422	-
Reimbursed expenses	67,002	-	67,002
Total cash receipts	<u>3,977,567</u>	<u>\$ 4,176,724</u>	<u>\$ (199,157)</u>
Expenditures and transfers subject to budget:			
Instruction	1,815,828	\$ 2,095,584	\$ 279,756
Student support services	80,343	42,250	(38,093)
Instructional support staff	55,433	78,340	22,907
General administration	189,454	125,425	(64,029)
School administration	98,733	120,943	22,210
Operations and maintenance	603,819	584,050	(19,769)
Student transportation services	307,510	200,400	(107,110)
Transfers out	944,953	929,732	(15,221)
Adjustment to comply with legal max	-	(147,653)	(147,653)
Legal general fund budget	4,096,073	4,029,071	(67,002)
Adjustment for qualifying budget credits:			
Reimbursements	-	67,002	67,002
Total expenditures and transfers subject to budget	<u>4,096,073</u>	<u>\$ 4,096,073</u>	<u>\$ -</u>
Receipts over (under) expenditures	(118,506)		
Unencumbered cash, beginning of year	<u>(212,208)</u>		
Unencumbered cash, end of year	<u>\$ (330,714)</u>		

The accompanying notes are an integral
 part of the financial statements.

UNIFIED SCHOOL DISTRICT NO. 111, DONIPHAN WEST
 STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
 SUPPLEMENTAL GENERAL FUND
 Year ended June 30, 2010

	Current year		
	Actual	Budget	Variance - over (under)
Cash receipts:			
Taxes and shared revenue:			
Ad valorem property - taxes in process	\$ 16,315	\$ 24,646	\$ (8,331)
Ad valorem property - current taxes	395,636	367,175	28,461
Delinquent	2,322	6,744	(4,422)
Motor vehicle	40,423	40,874	(451)
Recreational vehicle	906	1,073	(167)
State aid:			
Equalization aid	243,913	344,646	(100,733)
Federal aid:			
ARRA Stabilization	86,945	—	86,945
Total cash receipts	<u>786,460</u>	<u>\$ 785,158</u>	<u>\$ 1,302</u>
Expenditures and transfers subject to budget:			
Instruction	473,106	\$ 450,000	\$ (23,106)
General administration	72,093	51,400	(20,693)
School administration	130,000	173,600	43,600
Operations and maintenance	—	25,000	25,000
Student transportation services	—	50,000	50,000
Transfers out	144,801	70,000	(74,801)
Adjustment to comply with legal max	—	—	—
Legal supplemental general fund budget	820,000	820,000	—
Adjustment for qualifying budget credits:			
Reimbursements	—	—	—
Total expenditures and transfers subject to budget	<u>820,000</u>	<u>\$ 820,000</u>	<u>\$ —</u>
Receipts over (under) expenditures	(33,540)		
Unencumbered cash, beginning of year	<u>(20,299)</u>		
Unencumbered cash, end of year	<u>\$ (53,839)</u>		

The accompanying notes are an integral
 part of the financial statements.

UNIFIED SCHOOL DISTRICT NO. 111, DONIPHAN WEST
 STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
 AT RISK (4 YEAR OLD) FUND
 Year ended June 30, 2010

	Current year		
	Actual	Budget	Variance - over (under)
Cash receipts:			
Transfers in:			
General fund	\$ 20,060	\$ 30,000	\$ (9,940)
Total cash receipts	<u>20,060</u>	<u>\$ 30,000</u>	<u>\$ (9,940)</u>
Expenditures subject to budget:			
Instruction	20,060	\$ 30,000	\$ 9,940
Adjustment for qualifying budget credits	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures subject to budget	<u>20,060</u>	<u>\$ 30,000</u>	<u>\$ 9,940</u>
Receipts over (under) expenditures	-		
Unencumbered cash, beginning of year	<u>-</u>		
Unencumbered cash, end of year	<u>\$ -</u>		

The accompanying notes are an integral
 part of the financial statements.

UNIFIED SCHOOL DISTRICT NO. 111, DONIPHAN WEST
 STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
 AT RISK (K-12) FUND
 Year ended June 30, 2010

	Current year		
	Actual	Budget	Variance - over (under)
Cash receipts:			
Interest	\$ —	\$ 10,000	\$ (10,000)
Transfers in:			
General fund	32,139	130,000	(97,861)
Supplemental general fund	144,801	70,000	74,801
Total cash receipts	<u>176,940</u>	<u>\$ 210,000</u>	<u>\$ (33,060)</u>
Expenditures subject to budget:			
Instruction	176,940	\$ 210,000	\$ 33,060
Adjustment for qualifying budget credits	<u>—</u>	<u>—</u>	<u>—</u>
Total expenditures subject to budget	<u>176,940</u>	<u>\$ 210,000</u>	<u>\$ 33,060</u>
Receipts over (under) expenditures	—		
Unencumbered cash, beginning of year	<u>—</u>		
Unencumbered cash, end of year	<u>\$ —</u>		

The accompanying notes are an integral
 part of the financial statements.

UNIFIED SCHOOL DISTRICT NO. 111, DONIPHAN WEST
 STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
 CAPITAL OUTLAY FUND
 Year ended June 30, 2010

	Current year		
	Actual	Budget	Variance - over (under)
Cash receipts:			
Interest	\$ 5,469	\$ 400,000	\$ (394,531)
Other revenue from local sources	229,270	300,000	(70,730)
Total cash receipts	<u>234,739</u>	<u>\$ 700,000</u>	<u>\$ (465,261)</u>
Expenditures subject to budget:			
Instruction	-	\$ 175,000	\$ 175,000
Instructional staff support services	-	175,000	175,000
Operations and maintenance	31,650	418,736	387,086
Student transportation services	-	135,000	135,000
Adjustment for qualifying budget credits	-	-	-
Total expenditures subject to budget	<u>31,650</u>	<u>\$ 903,736</u>	<u>\$ 872,086</u>
Receipts under expenditures	203,089		
Unencumbered cash, beginning of year	<u>203,826</u>		
Unencumbered cash, end of year	<u>\$ 406,915</u>		

The accompanying notes are an integral
 part of the financial statements.

UNIFIED SCHOOL DISTRICT NO. 111, DONIPHAN WEST
 STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
 DRIVER TRAINING FUND
 Year ended June 30, 2010

	Current year		
	Actual	Budget	Variance - over (under)
Cash receipts:			
State aid:			
Driver training	\$ 500	\$ 500	\$ -
Revenue from other local source	-	3,000	(3,000)
Transfers in:			
General fund	4,000	-	4,000
Total cash receipts	<u>4,500</u>	<u>\$ 3,500</u>	<u>\$ 1,000</u>
Expenditures subject to budget:			
Instruction	4,280	\$ 5,500	\$ 1,220
Adjustment for qualifying budget credits	-	-	-
Total expenditures subject to budget	<u>4,280</u>	<u>\$ 5,500</u>	<u>\$ 1,220</u>
Receipts over (under) expenditures	220		
Unencumbered cash, beginning of year	<u>4,000</u>		
Unencumbered cash, end of year	<u>\$ 4,220</u>		

The accompanying notes are an integral
 part of the financial statements.

UNIFIED SCHOOL DISTRICT NO. 111, DONIPHAN WEST
 STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
 FOOD SERVICE FUND
 Year ended June 30, 2010

	Current year		
	Actual	Budget	Variance - over (under)
Cash receipts:			
Federal aid:			
National school lunch/breakfast program	\$ 71,668	\$ 98,100	\$ (26,432)
State aid:			
School food assistance	2,040	3,039	(999)
Charge for services	88,460	125,200	(36,740)
Interest	-	45,000	(45,000)
Other revenue	92	-	92
Transfers in:			
General fund	56,028	80,000	(23,972)
Total cash receipts	<u>218,288</u>	<u>\$ 351,339</u>	<u>\$ (133,051)</u>
Expenditures subject to budget:			
Food service operations	218,373	\$ 379,750	\$ 161,377
Adjustment for qualifying budget credits	-	-	-
Total expenditures subject to budget	<u>218,373</u>	<u>\$ 379,750</u>	<u>\$ 161,377</u>
Receipts over (under) expenditures	(85)		
Unencumbered cash, beginning of year	<u>49,585</u>		
Unencumbered cash, end of year	<u>\$ 49,500</u>		

The accompanying notes are an integral
 part of the financial statements.

UNIFIED SCHOOL DISTRICT NO. 111, DONIPHAN WEST
 STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
 PROFESSIONAL DEVELOPMENT FUND
 Year ended June 30, 2010

	Current year		
	Actual	Budget	Variance - over (under)
Cash receipts:			
Interest	\$ -	\$ 5,000	\$ (5,000)
Other revenue from local sources	1,017	-	1,017
Transfers in:			
General fund	-	13,000	(13,000)
Total cash receipts	<u>1,017</u>	<u>\$ 18,000</u>	<u>\$ (16,983)</u>
Expenditures subject to budget:			
Instructional support staff	784	\$ 31,000	\$ 30,216
Adjustment for qualifying budget credits	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures subject to budget	<u>784</u>	<u>\$ 31,000</u>	<u>\$ 30,216</u>
Receipts over (under) expenditures	233		
Unencumbered cash, beginning of year	<u>15,014</u>		
Unencumbered cash, end of year	<u>\$ 15,247</u>		

The accompanying notes are an integral
 part of the financial statements.

UNIFIED SCHOOL DISTRICT NO. 111, DONIPHAN WEST
 STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
 PARENT EDUCATION FUND
 Year ended June 30, 2010

	Current year		
	Actual	Budget	Variance - over (under)
Cash receipts:			
Other revenue from local sources	\$ -	\$ 2,600	\$ (2,600)
Interest on idle funds	-	1,000	(1,000)
Transfers in:			
General fund	8,300	10,600	(2,300)
Total cash receipts	<u>8,300</u>	<u>\$ 14,200</u>	<u>\$ (5,900)</u>
Expenditures subject to budget:			
Student support services	8,300	\$ 11,600	\$ 3,300
Adjustment for qualifying budget credits	-	-	-
Total expenditures subject to budget	<u>8,300</u>	<u>\$ 11,600</u>	<u>\$ 3,300</u>
Receipts over (under) expenditures	-		
Unencumbered cash, beginning of year	<u>-</u>		
Unencumbered cash, end of year	<u>\$ -</u>		

The accompanying notes are an integral
 part of the financial statements.

UNIFIED SCHOOL DISTRICT NO. 111, DONIPHAN WEST
 STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
 SPECIAL EDUCATION FUND
 Year ended June 30, 2010

	Current year		
	Actual	Budget	Variance - over (under)
Cash receipts:			
Interest on idle funds	\$ -	\$ 160,000	\$ (160,000)
Transfers in:			
General fund	571,840	526,132	45,708
Total cash receipts	571,840	\$ 686,132	\$ (114,292)
Expenditures subject to budget:			
Instruction	553,859	\$ 651,000	\$ 97,141
Vehicle operating services	17,981	112,744	94,763
Adjustment for qualifying budget credits	-	-	-
Total expenditures subject to budget	571,840	\$ 763,744	\$ 191,904
Receipts over (under) expenditures	-		
Unencumbered cash, beginning of year	89,638		
Unencumbered cash, end of year	\$ 89,638		

The accompanying notes are an integral
 part of the financial statements.

UNIFIED SCHOOL DISTRICT NO. 111, DONIPHAN WEST
 STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
 VOCATIONAL EDUCATION FUND
 Year ended June 30, 2010

	Current year		
	Actual	Budget	Variance - over (under)
Cash receipts:			
Transfers in:			
General fund	\$ 190,000	\$ 140,000	\$ 50,000
Reimbursements	494	—	494
Total cash receipts	<u>190,494</u>	<u>\$ 140,000</u>	<u>\$ 50,494</u>
Expenditures subject to budget:			
Instruction	190,494	\$ 190,000	\$ (494)
Adjustment for qualifying budget credits	—	494	494
Total expenditures subject to budget	<u>190,494</u>	<u>\$ 190,494</u>	<u>\$ —</u>
Receipts over (under) expenditures	—		
Unencumbered cash, beginning of year	<u>—</u>		
Unencumbered cash, end of year	<u>\$ —</u>		

The accompanying notes are an integral
 part of the financial statements.

UNIFIED SCHOOL DISTRICT NO. 111, DONIPHAN WEST
 STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
 KPERS SPECIAL RETIREMENT CONTRIBUTIONS FUND
 Year ended June 30, 2010

	Current year		
	Actual	Budget	Variance - over (under)
Cash receipts:			
State aid:			
KPERS Retirement	\$ 202,832	\$ 229,583	\$ (26,751)
Total cash receipts	<u>202,832</u>	<u>\$ 229,583</u>	<u>\$ (26,751)</u>
Expenditures subject to budget:			
Instruction	180,000	\$ 180,000	\$ -
Student support services	-	5,350	5,350
Instructional support staff	-	6,200	6,200
General administration	4,600	4,600	-
School administration	12,500	12,500	-
Operations and maintenance	2,300	8,500	6,200
Student transportation services	2,300	6,933	4,633
Food service operations	1,132	5,500	4,368
Adjustment for qualifying budget credits	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures subject to budget	<u>202,832</u>	<u>\$ 229,583</u>	<u>\$ 26,751</u>
Receipts over (under) expenditures	-		
Unencumbered cash, beginning of year	<u>-</u>		
Unencumbered cash, end of year	<u>\$ -</u>		

The accompanying notes are an integral
 part of the financial statements.

UNIFIED SCHOOL DISTRICT NO. 111, DONIPHAN WEST
 STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
 TEXTBOOK RENTAL FUND*
 Year ended June 30, 2010

	Current year actual
Cash receipts:	
Charge for services	\$ 15,636
Total cash receipts	<u>15,636</u>
Expenditures:	
Instruction	<u>21,682</u>
Total expenditures	<u>21,682</u>
Receipts over (under) expenditures	(6,046)
Unencumbered cash, beginning of year	<u>22,049</u>
Unencumbered cash, end of year	<u><u>\$ 16,003</u></u>

* This fund is not required to be budgeted.

The accompanying notes are an integral
 part of the financial statements.

UNIFIED SCHOOL DISTRICT NO. 111, DONIPHAN WEST
 STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
 CONTINGENCY RESERVE FUND*
 Year ended June 30, 2010

	<u>Current year actual</u>
Cash receipts:	
Transfers in:	
General fund	<u>\$ 62,586</u>
Total cash receipts	<u>62,586</u>
Expenditures:	
Other support services	52,500
Community service operations	<u> -</u>
Total expenditures	<u>52,500</u>
Receipts over (under) expenditures	10,086
Unencumbered cash, beginning of year	<u>163,734</u>
Unencumbered cash, end of year	<u><u>\$ 173,820</u></u>

* This fund is not required to be budgeted.

The accompanying notes are an integral
 part of the financial statements.

UNIFIED SCHOOL DISTRICT NO. 111, DONIPHAN WEST
 STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
 FEDERAL FUNDS
 Year ended June 30, 2010

	Current year		
	Actual	Budget	Variance - over (under)
Cash receipts:			
Federal aid:			
Title I	\$ 75,998	\$ 76,208	\$ (210)
Title II	25,998	25,109	889
Drug free	1,191	1,199	(8)
Total cash receipts	<u>103,187</u>	<u>\$ 102,516</u>	<u>\$ 671</u>
Expenditures subject to budget:			
Instruction	97,048	\$ 102,516	\$ 5,468
Adjustment for qualifying budget credits:			
Federal funds received in excess of budget	<u>-</u>	<u>671</u>	<u>671</u>
Total expenditures subject to budget	<u>97,048</u>	<u>\$ 103,187</u>	<u>\$ 6,139</u>
Receipts over (under) expenditures	6,139		
Unencumbered cash, beginning of year	<u>-</u>		
Unencumbered cash, end of year	<u>\$ 6,139</u>		

The accompanying notes are an integral
 part of the financial statements.

UNIFIED SCHOOL DISTRICT NO. 111, DONIPHAN WEST
 STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
 OTHER GRANT FUNDS *
 Year ended June 30, 2010

	<u>Current year actual</u>
Cash receipts:	
Revenue from other local sources	<u>\$ 300</u>
Total cash receipts	<u>300</u>
Expenditures:	
Instruction	<u>-</u>
Total expenditures	<u>-</u>
Receipts over (under) expenditures	300
Unencumbered cash, beginning of year	<u>6,372</u>
Unencumbered cash, end of year	<u><u>\$ 6,672</u></u>

* This fund is not required to be budgeted.

The accompanying notes are an integral
 part of the financial statements.

UNIFIED SCHOOL DISTRICT NO. 111, DONIPHAN WEST
 STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS - ACTUAL
 AGENCY FUNDS
 Year ended June 30, 2010

	Beginning cash balance	Cash receipts	Cash disbursements	Ending cash balance
High school student activity funds:				
Choir	\$ 652	\$ 3,281	\$ 2,469	\$ 1,464
PEP club	322	1,176	1,347	151
FCCLA club	651	206	116	741
Forensics	(213)	298	452	(367)
National honor society	140	233	162	211
STUCO	2,787	2,772	3,425	2,134
Previously graduated classes	49	-	-	49
Freshman class	-	2,706	200	2,506
Sophomore class	178	17,761	8,641	9,298
Junior class	4,281	9,528	9,631	4,178
Senior class	3,811	8,751	12,562	-
FFA	571	29,852	31,392	(969)
Publications	7,018	7,695	8,875	5,838
Total high school student activity funds	20,247	84,259	79,272	25,234
Middle school student activity funds:				
Band	312	4,324	2,896	1,740
Concessions	7,514	10,568	18,082	-
Cheerleaders	-	1,944	1,554	390
STUCO	323	4,451	3,154	1,620
Total middle school student activity funds	8,149	21,287	25,686	3,750
Elementary school activity funds:				
Grades	1,706	4,099	4,292	1,513
Total elementary school activity funds	1,706	4,099	4,292	1,513

The accompanying notes are an integral
 part of the financial statements.

UNIFIED SCHOOL DISTRICT NO. 111, DONIPHAN WEST
 STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS - ACTUAL
 AGENCY FUNDS
 Year ended June 30, 2010

	Beginning cash balance	Cash receipts	Cash disbursements	Ending cash balance
Fees and user charges:				
Lunch fund	—	84,146	84,135	11
Book rental	—	15,999	15,999	—
Pictures/collections	2,743	2,768	2,645	2,866
Metals	—	1,308	1,308	—
Supplies/collections	1,697	6,745	6,293	2,149
	<u>4,440</u>	<u>110,966</u>	<u>110,380</u>	<u>5,026</u>
Total fees and user charges				
Other agency funds:				
Sales tax	—	6,480	6,003	477
Flexible spending	2,278	15,017	14,230	3,065
	<u>2,278</u>	<u>21,497</u>	<u>20,233</u>	<u>3,542</u>
Subtotal other agency funds				
	<u>2,278</u>	<u>21,497</u>	<u>20,233</u>	<u>3,542</u>
Total agency funds	<u>\$ 36,820</u>	<u>\$ 242,108</u>	<u>\$ 239,863</u>	<u>\$ 39,065</u>

The accompanying notes are an integral
 part of the financial statements.

UNIFIED SCHOOL DISTRICT NO. 111, DONIPHAN WEST
 STATEMENT OF CASH RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH - ACTUAL
 DISTRICT ACTIVITY FUNDS
 Year ended June 30, 2010

	Beginning unencumbered cash balance	Cash receipts	Expenditures	Ending unencumbered cash balance	Outstanding encumbrances and accounts payable	Ending cash balance
Gate receipts:						
Middle school athletics	\$ -	\$ 5,648	\$ 8,254	\$ (2,606)	\$ -	\$ (2,606)
High school athletics	13,721	29,334	35,564	7,491	-	7,491
Subtotal gate receipts	13,721	34,982	43,818	4,885	-	4,885
School projects:						
High school						
Flower, picture, memorial	235	-	-	235	-	235
Quiz bowl	(1,238)	501	995	(1,732)	-	(1,732)
Drama	1,942	2,535	2,762	1,715	-	1,715
Band	551	5,464	4,821	1,194	-	1,194
Substance abuse	2,213	1,574	1,564	2,223	-	2,223
Student activities	2,984	215	70	3,129	-	3,129
Middle school:						
Quiz bowl	-	-	150	(150)	-	(150)
Mustang Fit 4 Life grant	512	250	250	512	-	512
Student activities	3,047	2,788	3,726	2,109	-	2,109
Primary school:						
Book fair	456	1,692	1,626	522	-	522
Faculty, staff	1,371	429	233	1,567	-	1,567
Purple Wave athletic activity	-	4,568	-	4,568	-	4,568
Subtotal school projects	12,073	20,016	16,197	15,892	-	15,892
Total district activities	\$ 25,794	\$ 54,998	\$ 60,015	\$ 20,777	\$ -	\$ 20,777

The accompanying notes are an integral
 part of the financial statements.

UNIFIED SCHOOL DISTRICT NO. 111, DONIPHAN WEST
NOTES TO THE FINANCIAL STATEMENTS
Year ended June 30, 2010

1. Summary of significant accounting policies

a. Reporting entity

Unified School District No. 111, Doniphan West, ("the District") is a municipal corporation governed by an elected seven-member board. These financial statements present Unified School District No. 111, Doniphan West, (the primary government). There are no component units.

b. Reimbursed expenses

Certain expenditures are classified as reimbursed expenses. The purpose of these expenditures is payment for goods and services in which fees are collected and such expenditures are exempt from the budget law under K.S.A. 79-2934. The following expenditures are classified as reimbursed expenses for the year ended June 30, 2010:

General fund	\$ 67,002
Vocational education fund	\$ 494

Reimbursed expenses are defined as repayments of amounts remitted on behalf of another party. All reimbursed expenses shown in the financial statements meet the following criteria:

1. the related disbursement was made in the current year on behalf of the payee,
2. the item paid for was directly identifiable as having been used by or provided to the payee, and
3. the amount of the reimbursed expense was directly tied to the amount of the original cash disbursement.

c. Basis of accounting

1. Statutory basis of accounting

The statutory basis of accounting, as used in the preparation of these statutory basis financial statements, is designed to demonstrate compliance with the cash basis and budget laws of the State of Kansas. Cash receipts are recognized when the cash balance of a fund is increased. Expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior period's accounts payable and encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods and services, and are usually evidenced by a purchase order or written contract. For an interfund transaction, a cash receipt is recorded in the fund receiving cash from another fund, and an expenditure would be charged in the fund from which the transfer is made.

The District has approved a resolution that is in compliance with K.S.A. 75-1120a(c) waiving the requirement for application of generally accepted accounting principles and allowing the District to use the statutory basis of accounting.

c. Basis of accounting (continued)

2. Departure from accounting principles generally accepted in the United States of America

The basis of accounting described above results in a financial statement presentation, which shows cash receipts, expenditures, cash and unencumbered cash balances, and expenditures compared to budget. Balance sheets that would have shown noncash assets such as receivables, inventories, and prepaid expenses, liabilities such as deferred revenue and matured principal and interest payable, and reservations of the fund balance are not presented.

Under accounting principles generally accepted in the United States of America, encumbrances are only recognized as a reservation of fund balance; encumbrances outstanding at year end do not constitute expenditures or liabilities. Consequently, the expenditures as reported do not present the cost of goods and services received during the fiscal year in accordance with generally accepted accounting principles.

Capital assets that account for the land, buildings, and equipment owned by the District are not presented in the financial statements. Also, long-term debt such as general obligation bonds, revenue bonds, capital leases, temporary notes, and compensated absences are not presented in the financial statements.

d. Cash and investments

Cash consists of checking and savings accounts.

Cash balances in all funds are considered in determining the amount to be invested and further, unless specifically designated, all investment income is credited to the capital outlay fund.

e. Inventories and prepaid expenses

Inventories and prepaid expenses which benefit future periods are recorded as an expenditure during the year of purchase, as required by state statutes.

f. Fund descriptions

In governmental accounting, a fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

f. Fund descriptions (continued)

The following types of funds comprise the financial activities of the District for the year ended June 30, 2010:

1. Governmental funds

- a. General fund - to account for all unrestricted resources except those required to be accounted for in another fund.
- b. Special revenue funds - to account for the proceeds of specific revenue sources (other than major capital projects) that are restricted by law or administrative action to expenditure for specified purposes.
- c. Debt service funds - to account for the accumulation of resources for and the payments of, interest and principal and related costs, on general long-term debt.

2. Fiduciary funds

- a. Trust and agency funds - to account for assets held by the District in a trustee capacity or as an agent for individuals, other governmental units, private organizations, and/or other funds. Expendable trust funds are accounted for in essentially the same manner as governmental funds. Agency funds are custodial in nature and do not involve measurement of operations. The District had no trust funds at June 30, 2010.

2. Stewardship, compliance, and accountability

a. Budgetary information

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special revenue funds (unless specifically exempted by statute), debt service funds, and enterprise funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding year on or before August 1st.
2. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on budget.
3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

The statutes allow for the District to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. There were no such budget amendments this year.

a. Budgetary information (continued)

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison statements are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the statutory basis of accounting, in which revenues are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the District for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year-end.

A legal operating budget is not required for capital projects funds, fiduciary funds, permanent funds, and the following special revenue funds:

- Textbook rental fund
- Contingency reserve fund
- Grant funds

Spending in funds which are not subject to the legal annual operating budget requirement is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the District.

b. Compliance with Kansas Statutes

The General Fund showed a negative ending unencumbered cash balance of \$330,714 for the year ended June 30, 2010. Additionally, the Supplemental General Fund showed a negative ending unencumbered cash balance of \$53,839 for the year ended June 30, 2010. K.S.A. 10-1116a provides that under certain situations, the fund can end the year with a negative unencumbered cash balance and therefore, be exempt from the cash basis law of the State of Kansas (K.S.A. 10-1113). The District is not deemed to be in violation of the Kansas cash basis law for the year ending June 30, 2010.

See Note 10 for presentation of the General Fund and Supplemental General Fund under compliance with K.S.A. 72-6417(d) and K.S.A. 72-6434(d).

The District was undersecured for three months of the year at Farmers State Bank (K.S.A. 9-1402).

Management is aware of no other statutory violations for the period covered by the audit.

3. Deposits and investments

As of June 30, 2010, the District had no investments.

K.S.A. 9-1401 establishes the depositories which may be used by the District. The statute requires banks eligible to hold the District's funds have a main or branch bank in the county in which the District is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the bank to pledge securities for deposits in excess of FDIC coverage. The District has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the District's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The District has no investment policy that would further limit its investment choices.

Concentration of credit risk. State statutes place no limit on the amount the District may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405.

Custodial credit risk - deposits. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. State statutes require the District's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka. All deposits were legally secured at June 30, 2010.

At June 30, 2010, the District's carrying amount of deposits was \$575,846 and the bank balance was \$1,181,269. The bank balance was held by four banks resulting in a concentration of credit risk. Of the bank balance, \$718,007 was covered by federal depository insurance, and the remaining \$463,262 was collateralized with securities held by the pledging financial institutions' agents in the District's name.

Custodial credit risk - investments. For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured.

4. Long-term debt (continued)

Changes in long-term liabilities for the District for the year ended June 30, 2010, were as follows:

Issue	Interest rate	Date of issue	Amount of issue	Date of final maturity	Balance beginning of year	Additions	Reductions /payments	Balance end of year	Interest paid
Capital leases:									
Energy lease - 425	4.52%	08/01/2007	\$529,433	07/01/2022	\$ 339,375	\$ -	\$ -	\$ 339,375	\$ -
Energy lease - 433	4.10%	02/15/2008	\$489,270	02/15/2018	489,270	-	(33,422)	455,848	28,384
Copiers - 433	8.9%	08/01/2006	\$34,583	08/01/2011	17,201	-	(7,529)	9,672	1,231
Computers - 433	9.3%	07/03/2008	\$51,936	07/03/2011	36,720	-	(15,387)	21,333	2,888
VIP Virtualization	3.74%	06/24/2010	\$599,132	07/01/2014	-	599,132	-	599,132	-
Computers - 425	2.1%	07/28/2008	\$89,289	07/01/2011	67,387	-	(29,560)	37,827	1,179
Total long-term debt					<u>\$ 949,953</u>	<u>\$ 599,132</u>	<u>\$ (85,898)</u>	<u>\$1,463,187</u>	<u>\$ 33,682</u>
Current maturities of long-term debt and interest for the next five years and in five year increments through maturity are as follows:									
Year ended June 30,									
	2011	2012	2013	2014	2015	2016-2020	2021-2025	2026-2030	Total
Principal:									
Capital lease:									
Energy lease - 425	\$ 19,634	\$ 20,540	\$ 21,488	\$ 22,480	\$ 23,517	\$ 134,901	\$ 96,815	\$ -	\$ 339,375
Energy lease - 433	42,761	44,548	46,409	48,348	50,368	223,414	-	-	455,848
Copiers - 433	8,228	1,444	-	-	-	-	-	-	9,672
Computers - 433	16,868	4,465	-	-	-	-	-	-	21,333
VIP Virtualization	128,783	111,192	115,351	119,665	124,141	-	-	-	599,132
Computers - 425	30,183	7,644	-	-	-	-	-	-	37,827
Total principal	<u>246,457</u>	<u>189,833</u>	<u>183,248</u>	<u>190,493</u>	<u>198,026</u>	<u>358,315</u>	<u>96,815</u>	<u>-</u>	<u>1,463,187</u>
Interest:									
Capital lease:									
Energy lease - 425	15,662	14,756	13,808	12,816	11,779	41,577	9,070	-	119,468
Energy lease - 433	19,045	17,258	15,397	13,458	11,438	23,813	-	-	100,409
Copiers - 433	532	16	-	-	-	-	-	-	548
Computers - 433	1,407	104	-	-	-	-	-	-	1,511
VIP Virtualization	-	17,591	13,433	9,118	4,643	-	-	-	44,785
Computers - 425	555	40	-	-	-	-	-	-	595
Total interest	<u>37,201</u>	<u>49,765</u>	<u>42,638</u>	<u>35,392</u>	<u>27,860</u>	<u>65,390</u>	<u>9,070</u>	<u>-</u>	<u>267,316</u>
Total principal and interest payments	<u>\$283,658</u>	<u>\$239,598</u>	<u>\$225,886</u>	<u>\$225,885</u>	<u>\$ 225,886</u>	<u>\$ 423,705</u>	<u>\$ 105,885</u>	<u>\$ -</u>	<u>\$1,730,503</u>

5. Commitments

- a. The District entered into a lease in December 2008 for two Savin 4060 copiers and three Savin 4051 copiers. This lease requires total monthly payments of \$1,470 for 48 months. Rental expense for the five copiers was \$17,640 for the year ended June 30, 2010.
- b. The District entered into a lease agreement in July 2009 for a new voice communication system. This lease requires total monthly payments of \$2,225 for 60 months. Rental expense for the system was \$22,253 for the year ended June 30, 2010.
- c. Future minimum rental payments required under the non-cancelable operating leases as of June 30, 2010 are as follows:

2011	\$ 44,344
2012	44,344
2013	35,524
2014	26,704
2015	<u>4,451</u>
Total	<u>\$ 155,367</u>

6. Interfund transfers

Operating transfers were as follows:

From	To	Statutory Authority	Amount
General Fund	At Risk (4 year old)	K.S.A. 72-6428	\$ 20,060
General Fund	At Risk (K-12)	K.S.A. 72-6428	32,139
General Fund	Driver Training	K.S.A. 72-6428	4,000
General Fund	Food Service	K.S.A. 72-6428	56,028
General Fund	Parent Education	K.S.A. 72-6428	8,300
General Fund	Special Education	K.S.A. 72-6428	571,840
General Fund	Vocational Education	K.S.A. 72-6428	190,000
General Fund	Contingency Reserve	K.S.A. 72-6428	<u>62,586</u>
Total General fund transfers			<u>944,953</u>
Supplemental			
General Fund	At Risk (K-12)	K.S.A. 72-6433	<u>144,801</u>
Total Supplemental General fund transfers			<u>144,801</u>
Total interfund transfers			<u><u>\$1,089,754</u></u>

7. Defined benefit plan

a. Plan description

The District contributes to the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et seq. KPERS provides retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERS (611 S. Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

b. Funding policy

K.S.A. 74-4919 establishes the KPERS member-employee contribution rate at 4% of covered salary. Member-employees' contributions are withheld by their employer and paid to KPERS according to the provisions of section 414 (h) of the Internal Revenue Code. The State of Kansas is required to contribute the remaining amount necessary to achieve the actuarially determined contribution rate. Kansas currently contributes an average of 7.97% of covered payroll for fiscal year 2009, and an average of 8.57% of covered payroll for fiscal year 2010.

These contribution requirements are established by KPERS and are periodically revised. Kansas' contributions to KPERS for school municipality employees for the years ending June 30, 2010, 2009, and 2008 were \$248,468,186, \$242,277,363, and \$220,815,154, respectively, equal to the required contributions for each year.

8. Other post employment benefits

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the District makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured. There is no cost to the District under this program.

9. Compensated absences

The District policy regarding sick pay is to accrue pay for full-time employees up to a maximum of 30 days for noncertified staff and 70 days for certified staff. However, upon termination, no amount is paid. Personal days are required to be used before the end of the year. Vacation pay is accrued by noncertified employees each year based on years of service. Any unused vacation pay must be used before December 31 following the year during which it was earned.

10. Compliance with K.S.A. 72-6417(d) and K.S.A. 72-6434(d)

K.S.A. 72-6417(d) and K.S.A. 72-6434(d) require the school district to record any payment of general state aid that is due to be paid during the month of June and is paid to the school district after June 30, as a receipt for the school year ending on June 30. The following shows the revenue as required by these Statutes.

STATUTORY REVENUES AND EXPENDITURES - STATUTORY AND BUDGET
For the Year Ended June 30, 2010
GENERAL FUND

	Current year		
	Statutory Transactions	Budget	Variance - over (under)
Statutory revenues:			
Taxes and shared revenue:			
Ad valorem property - taxes in process	\$ 17,116	\$ 19,123	\$ (2,007)
Ad valorem property - current taxes	616,979	589,307	27,672
Delinquent	2,266	9,822	(7,556)
State aid:			
Equalization aid	2,832,780	2,850,918	(18,138)
Special education services	378,508	526,132	(147,624)
Federal aid:			
ARRA Stabilization	181,422	181,422	-
Reimbursed expenses	67,002	-	67,002
Total statutory revenues	<u>4,096,073</u>	<u>\$ 4,176,724</u>	<u>\$ (80,651)</u>
Expenditures:			
Instruction	1,815,828	\$ 2,095,584	\$ 279,756
Student support services	80,343	42,250	(38,093)
Instructional support staff	55,433	78,340	22,907
General administration	189,454	125,425	(64,029)
School administration	98,733	120,943	22,210
Operations and maintenance	603,819	584,050	(19,769)
Student transportation services	307,510	200,400	(107,110)
Student activities	-	-	-
Transfers out	944,953	929,732	(15,221)
Adjustment to comply with legal max	-	(147,653)	(147,653)
Legal general fund budget	<u>4,096,073</u>	<u>4,029,071</u>	<u>(67,002)</u>
Adjustment for qualifying budget credits:			
Reimbursements	-	67,002	67,002
Total expenditures	<u>4,096,073</u>	<u>\$ 4,096,073</u>	<u>\$ -</u>
Statutory revenue over (under) expenditures	-		
Modified unencumbered cash, beginning of year	-		
Modified unencumbered cash, end of year	<u>\$ -</u>		

10. Compliance with K.S.A. 72-6417(d) and K.S.A. 72-6434(d) (continued)

STATUTORY REVENUES AND EXPENDITURES - STATUTORY AND BUDGET
For the Year Ended June 30, 2010
SUPPLEMENTAL GENERAL FUND

	Current year		
	Statutory Transactions	Budget	Variance - over (under)
Statutory revenues:			
Taxes and shared revenue:			
Ad valorem property - taxes in process	\$ 16,315	\$ 24,646	\$ (8,331)
Ad valorem property - current taxes	395,636	367,175	28,461
Delinquent	2,322	6,744	(4,422)
Motor vehicle	40,423	40,874	(451)
Recreational vehicle	906	1,073	(167)
State aid:			
Equalization aid	255,901	344,646	(88,745)
Federal aid:			
ARRA Stabilization	86,945	—	86,945
Total statutory revenues	<u>798,448</u>	<u>\$ 785,158</u>	<u>\$ 13,290</u>
Expenditures:			
Instruction	473,106	\$ 450,000	\$ (23,106)
General administration	72,093	51,400	(20,693)
School administration	130,000	173,600	43,600
Operations and maintenance	—	25,000	25,000
Student transportation services	—	50,000	50,000
Transfers out	144,801	70,000	(74,801)
Legal supplemental general fund budget	820,000	820,000	—
Adjustment for qualifying budget credits	—	—	—
Total expenditures	<u>820,000</u>	<u>\$ 820,000</u>	<u>\$ —</u>
Statutory revenues over (under) expenditures	(21,552)		
Modified unencumbered cash, beginning of year	<u>34,843</u>		
Modified unencumbered cash, end of year	<u>\$ 13,291</u>		

ADDITIONAL INFORMATION

UNIFIED SCHOOL DISTRICT NO. 111, DONIPHAN WEST
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS*
Year ended June 30, 2010

Federal Grantor/ pass-through grantor/program title	Federal CFDA number	Program or award amount	Beginning unencumbered cash balance	Cash receipts	Expenditures	Ending unencumbered cash balance	Outstanding encumbrances	Ending cash balance
<u>U.S. Department of Education</u>								
Passed through Kansas Department of Education:								
Title I, part A cluster:								
Title I grants to LEAs	84.010	\$ 54,747	\$ -	\$ 54,747	\$ 54,747	\$ -	\$ -	\$ -
Title I grants to LEAs, recovery act	84.389	21,251	-	21,251	21,251	-	-	-
Subtotal Title I, part A cluster		75,998	-	75,998	75,998	-	-	-
Safe and drug-free schools and communities	84.186	1,191	-	1,191	1,191	-	-	-
Educational technology state grants cluster:								
Educational technology state grants	84.318	408	-	408	408	-	-	-
Educational technology state grants, recovery act	84.386	1,003	-	1,003	1,003	-	-	-
Subtotal Educational technology state grants cluster		1,411	-	1,411	1,411	-	-	-
Improving teacher quality state grants	84.367	24,587	-	24,587	18,448	6,139	-	6,139
Statewide data systems	84.372	800	-	800	800	-	-	-
State fiscal stabilization fund - education state grants, recovery act	84.394	268,367	-	268,367	268,367	-	-	-
Total U.S. Department of Education		372,354	-	372,354	366,215	6,139	-	6,139
<u>U.S. Department of Agriculture</u>								
Passed through Kansas Department of Education:								
Child nutrition cluster:								
School breakfast program	10.553	15,324	-	15,324	15,324	-	-	-
National school lunch program	10.555	56,344	-	56,344	56,344	-	-	-
Total U.S. Department of Agriculture		71,668	-	71,668	71,668	-	-	-
Total federal assistance		\$ 444,022	\$ -	\$ 444,022	\$ 437,883	\$ 6,139	\$ -	\$ 6,139

*Note 1 on page 34 is an integral part of this Schedule of Expenditures of Federal Awards.

See Independent Auditors' Report

UNIFIED SCHOOL DISTRICT NO. 111, DONIPHAN WEST
NOTE TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
June 30, 2010

1. Basis of accounting

a. Statutory basis of accounting

The statutory basis of accounting, as used in the preparation of this schedule of expenditures of federal awards, is designed to demonstrate compliance with the cash basis and budget laws of the State of Kansas. Cash receipts are recognized when the cash balance of a fund is increased. Expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods and services, and are usually evidenced by a purchase order or written contract. For an interfund transaction, a cash receipt is recorded in the fund receiving cash from another fund, and an expenditure is charged in the fund from which the transfer is made.

The District has adopted a resolution in accordance with K.S.A. 75-1120a(c) to waive reporting in accordance with accounting principles generally accepted in the United States of America, which allows the District to utilize the statutory basis of accounting.

b. Departure from accounting principles generally accepted in the United States of America

The basis of accounting described above results in a financial statement presentation which shows cash receipts, expenditures, and cash and unencumbered cash balances.

Under accounting principles generally accepted in the United States of America, encumbrances are only recognized as a reservation of fund balance; encumbrances outstanding at year-end do not constitute expenditures or liabilities. Consequently, the expenditures as reported do not present the cost of goods and services received during the fiscal year in accordance with accounting principles generally accepted in the United States of America.